



January 9, 2013

AnGes MG, Inc.

### **Announcement Regarding Execution of Management Rationalization**

AnGes MG Inc. (“AnGes”) announced that its Board of Directors approved on January 9, 2013, to execute the management rationalization measures as indicated below.

#### 1. Reasons for the rationalization measures

Due to the long-term economic stagnation and business climate changes, the domestic investment environment was hit severely, especially the high risk capital investment arena in which most pharmaceutical bio-venture companies belong to. During this challenging time for many bio-pharmaceutical companies, AnGes has been utilizing the funds it secured through the government support programs and alliances with pharmaceutical companies. Moreover, in order to respond to changes to the external environments, AnGes has prioritized the projects and reduced costs under “selection and concentration” measures. In the third quarter of fiscal year 2012, AnGes has also implemented cost reduction measures such as cutting down in director remunerations. However, the worsening stock market environment felt in the past several years has made it more difficult for the company to conduct equity financing. Therefore, AnGes has decided it is imminent to adjust expenses to an appropriate level which corresponds to the cash position for the near term, and concluded that immediate rationalization measures must be executed.

#### 2. Details of rationalization measures

##### (1) Reduction of remuneration for directors, auditors and corporate officers

The initial reduction of remuneration was executed in September 2012 for the full-time directors and full-time auditor. AnGes has decided to conduct further reductions and expand it to the external directors and corporate officers to clarify the management's responsibility in the execution of rationalization, including voluntary retirement program.

##### i) Directors and Auditors

Representative Director, President and CEO	50% of the monthly remuneration
Representative Director and Deputy CEO	50% of the monthly remuneration
Member of the Board, Executive Vice President and Corporate Officer	40% of the monthly remuneration
External Member of the Board	10 to 30% of the monthly remuneration

Full-time Auditor	10% of the monthly remuneration
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\* The full-time auditor has agreed to continue returning 10% of the monthly remuneration voluntarily.

ii) Corporate Officers 10 to 30% of the monthly remuneration

iii) The Period From January 2013 until prospect for business recovery is secured

(2) Pay freeze for employees

Periodic pay raise for the fiscal year 2013 is suspended for all employees.

(3) Voluntary retirement program

(i) Applicable employees	All employees (full-time)
(ii) Number of personnel	Approximately 20
(iii) Application period	From February 1, 2013 to February 8, 2013
(iv) Retirement date	March 31, 2013 (scheduled)
(v) Preferential benefit	AnGes offers a special severance payment to the employees accepting voluntary retirement.
(vi) Support program	AnGes offers re-employment assistance through specialized third party company to the applicants who would seek employment opportunities outside the company.

3. Future outlook

The expense regarding the voluntary retirement including the special severance payment is expected to be recorded as an extraordinary loss for the fiscal year ending December 2013, and the estimated amount for extraordinary loss will be announced on February 7, 2013 along with the forecast for the consolidated financial results for the fiscal year ending December 2013. The number of employees accepting the voluntary retirement is not fixed at this moment and the results will be announced immediately after it is fixed.

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*Disclaimer: This is a translation of the news release posted in Japanese. In case of any deviations between the two language versions, the original document in Japanese shall take precedence.*

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